



Irish Life Weekly Investment Bulletin

The week that was – WEEK 10 (ending 10/03/2017)

“If I have seen further it is by standing on the shoulders of giants.” – Isaac Newton

Irish economy tops the European Union with 5.2% growth in 2016 – The latest quarterly national accounts from the Central Statistics Office show Ireland’s GDP (gross domestic product) grew by a stronger than expected 5.2% last year, the fastest growing economy in the Euro area for the third successive year.

ECB revises upwards its economic growth and inflation forecasts – The European Central Bank Governing Council has revised up 2017 Euro area GDP to 1.8% from 1.7% in December and 2018 GDP to 1.7% from 1.6% and inflation forecast to 1.7% (previously 1.3%) in 2017 and 1.6% (previously 1.5%) in 2018.

Global stock market down 0.2% on the week – The MSCI AC World Index had its first negative week since Week 5, with a return of -0.15% from 3rd March to 10th March. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (VIX), was little changed however at 11.7 as markets took stock.

U.S. unemployment rate drops to 4.7% – The U.S. Labor Department reported that employers added a robust 235,000 jobs in February, boosted by 58,000 additional construction positions, further evidence that the economy remains on a solid footing. The unemployment rate dipped to 4.7% from 4.8% in January.

Oil price falls after increase in U.S. supplies wipes out gains – Increasing U.S. oil inventories led crude prices below \$50 a barrel for the first time since the OPEC production cuts with West Texas Intermediate crude falling to \$49.25 per barrel from \$53 a week ago and global Brent crude dropping to \$52.10 from \$55.50.

China reduces growth forecast for 2017 to 6.5% – Premier Li Keqiang said China is targeting growth of 6.5% in 2017 - down slightly from last year's actual 6.7% rate which was a 25-year low. Despite the decline, that growth would keep China's economy as one of the world's strongest, the second-largest behind the U.S.

The Story of the week: Professor Robert Kelly, an expert on Korean politics, became an instant world celebrity thanks to an unscheduled interruption during a live interview on BBC News. The Professor was discussing the impeachment of South Korea's president Park Geun-hye when his young daughter appeared in the background in his study. Footage of the interview appeared on Twitter and quickly went viral, with viewers around the world reveling in the near-perfect comic timing of the interruptions. As one viewer said – “This BBC interview is the greatest TV moment of all time. When the mother/nanny comes rushing it's like something from A Night At The Opera.”

DISCLOSURE: Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.

Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 10/03)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	3.0
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	3.7
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	4.1
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	6.4
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	8.9
Nikkei 225	22.9	56.7	7.1	9.1	0.4	2.6
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	5.2
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	5.5
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.6
German	1.4	1.9	0.5	0.6	0.2	0.5
UK	1.9	3.0	1.9	1.9	1.2	1.2
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	1.2
Italy	4.6	4.1	2.1	1.6	1.8	2.3
Greece	12.7	8.2	9.6	7.9	7.1	7.2
Portugal	6.9	6.1	2.7	2.5	3.8	4.0
Spain	5.4	4.1	1.6	1.7	1.4	1.9
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	0.75
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/€)	1.31	1.37	1.21	1.09	1.04	1.07
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.87
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.22
IPD All Property Return (%)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	N/A
U.K.	2.7	10.7	17.8	13.1	3.6	N/A
U.S.	5.3	11.4	11.2	12.1	7.8	N/A

*Past performance is not a reliable guide to future performance